DHCD requires each applicant to sign a Monitoring Certification indicating the agreement to comply with the regulations, to be subject to DHCD monitoring for compliance and to accept any applicable penalties for noncompliance. The applicant is responsible for any and all costs associated with implementing and maintaining records to comply with and allow for DHCD monitoring. The Monitoring Certification Form is included in the application.

## IV. Eligibility Guidelines

To be eligible for funding, applicants and proposals must meet the following four criteria:

- 1. Nonprofit organizations and for-profit developers may apply for funding.
- 2. Project clients/beneficiaries must reside in the District and must meet the appropriate income levels as described on pages 5 and 6.
- 3. Project activities must meet the eligibility requirements of the funding source through which they receive financing. See the <u>RFP Reference Guidebook</u>.
- 4. Projects must meet the Basic Eligibility Requirements shown in Section V below to be accepted for evaluation.

## V. Eligibility Requirements - Summary

Applicants must submit documentation that fully demonstrates their compliance with the basic eligibility requirements shown below in Table 5, <u>at the time of application</u>. This constitutes the initial screening process. Any applications lacking such documentation will be returned to the applicant without further consideration. See **Appendix A** for details of the **Basic Eligibility Requirements**.

**Table 5: Basic Eligibility Requirements** 

All must be met at time of initial application	
1. Site control	yes/no
2. Basic regulatory eligibility	yes/no
3. Good standing	
4. Creditworthiness	
5. Readiness to proceed	· · · · · · · · · · · · · · · · · · ·
6. Completeness of application	

## VI. Evaluation Criteria for Scoring – Summary

Once an application has been screened for basic eligibility, there are two tiers of criteria by which applications will be evaluated and scored:

1. Threshold criteria. Applications that pass the basic eligibility screening will be evaluated against the threshold criteria, to determine if the project merits further consideration. The threshold criteria examine the project's basic feasibility in terms of design, site, financial feasibility, and development team capacity. Projects must score at least 25 of a possible 45 points to be considered for further consideration.

2. Ranking criteria. If an application has met the minimum threshold score of 25 points under the threshold criteria, it will be evaluated against the ranking criteria. These criteria focus on public benefit, e.g., effective use of funds, income targeting, geographic targeting, and community impact. The application must accumulate sufficient points from both the threshold criteria and the ranking criteria to be considered for funding against the amount of funds available. Applications that do not score sufficient overall points will be rejected.

Both sets of criteria and associated points are listed below in Table 6. Full detail on the point distribution is shown in **Appendix B1 – B6**.

**Table 6: Evaluation Criteria and Assigned Points** 

Threshold Criteria – applicant must score at least 25 points of the 45 point total	Maximum Points
Appropriate Site and design	25
2. Strong development team	15
3. Financial feasibility	<u>15</u>
	55
Ranking Criteria – 105 points total	Maximum Points
1. Economic Opportunity	
2. Efficient use of public resources	
3. Leveraging	
4. Coordination with DCHFA or DCHA	
5. Income targeting	
6. Retention	
7. Geographic targeting	
8. Community impact	
9. Preservation of Housing w/expiring Section 8	
Projects will be ranked/reviewed against similar type projects	105
Subtotals	160
Nonprofit organizations will be awarded 10 bonus pointsfor significant roles. (i.e. developer, co-developer, property manager in	
Total with Bonus:	

## VII. Timing of Awards and Underwriting

DHCD anticipates the announcement of applicant selection<sup>9</sup> for the Underwriting Phase in March 2006. DHCD will verify each project's satisfaction of the eligibility requirements, and an Independent Review Team will score it against the threshold and ranking criteria.

Page - 12

<sup>&</sup>lt;sup>9</sup> The announcement of selection means that the applicant has been selected to advance to the Underwriting Phase. It does not mean that an applicant is assured of getting its request funded, which is dependent on the outcome of the Underwriting Phase.

Applicants whose projects: a) meet the eligibility requirements; b) score at least 25 points under the threshold criteria; and c) score sufficient points overall to be ranked will be recommended to DHCD for funding. DHCD will conduct the final review of applications and will select the applications for funding against the funds available. Once notified of the selection for funding, and scheduled "kick-off" meeting has been held, applicants will have 14 days to submit a best and final application. DHCD will conduct due diligence, environmental and other regulatory reviews and verify all representations made in the application, and will establish final underwriting terms including (where applicable) loan terms, interest

# Timing of Awards after submission of proposal

Applicant Preparation of Final Submission:....14 days after "kick-off and site visits have been held

DHCD/Applicant Acceptance Letter of Commitment:.... (3/06)

rates, security and collateral requirements and other covenants. DHCD will make its final determination regarding underwriting within 60 days of submission of the final application. Commitments from other funding sources must be secured prior to initial loan closing. For details on the funding process, refer to the <u>DFD Financing Application Submission Package</u>.

## VIII. Application Guidelines

Application guidelines and requirements are identified below. Detailed guidelines and requirements are contained in the <u>DFD Financing Application Submission Package</u>. The application package also contains an overview of the DHCD funding process.

- 1. Applying for Multiple Projects: Applicants may apply for funding for more than one project. Applicants may submit one application per project or they may submit one application for multiple projects; however, if the single application is rejected, all the projects in it are rejected.
- 2. Application Submission: Applications must be received at DHCD on or before 4:00 PM E.S.T. January 6, 2006. Applications must be delivered to DHCD, Development Finance Division, 801 North Capitol Street, N.E., 2<sup>nd</sup> Floor Receptionist's Desk, Washington, DC 20002. Please note that no applications will be accepted after the 4:00 PM deadline. DHCD will use a time/date stamp clock to register the applications and will monitor the timeliness of applications received.

Applicants must submit five signed copies of the application – an original, in a three ring binder (with each exhibit tabbed), and four (4) stapled copies. DHCD will not make copies for applicants. Application documents, other than maps and drawings, must be submitted using a 12 point type size and on  $8 \frac{1}{2} \times 11$  paper.

An individual authorized to obligate the applicant *must* sign the Application Summary
Sheet. By signing the application, the authorized person is also attesting to the truthfulness
of the information supplied in the application. Unsigned applications will not be accepted.
The Certification documents, including Contract Affidavit, Qualifications Statements, and

# Monitoring Certification Forms (all in "Exhibits" of Application Submission Package) must also be signed.

3. **Project Award Provisions:** All awards are subject to the applicable federal and District of Columbia guidelines and regulations applying to those funds. All awards are subject to the regulatory requirements referenced, and to the availability of District of Columbia or federal funds

## IX. Pre-Proposal Conferences

- 1. The first Pre-Proposal Conference will be held on **November 3, 2005**, from 9:00 a.m. 12:00 noon, at the <u>DC Department of Housing and Community Development</u> 801 North Capitol Street, NE, 9<sup>th</sup> Floor (Conference Room) Washington, D.C. 20002
- 2. Future Pre-Proposal Conferences will be made available in the near future. Questions regarding the RFP should be directed to: Mr. Lawrence C. Cager, Jr. E-mail Questions should be sent to: <a href="mailto:rfpquestions@dc.gov">rfpquestions@dc.gov</a>; or RFP Question Hotline: 202-442-7281 (voicemail)

Questions received before the Pre-Proposal Conference will be addressed at the Conference. All questions raised at the Pre-Proposal Conference will be distributed in writing/e-mail to all participants within 48 hours of receiving the transcript.

## X. Application Components

The following components, in the order listed, with all exhibits or attachments, must be included in the Application Submission Package (APS). All application forms and attachments are contained in Section 6 of this package. Also required are (**Appendix 1** - Project **Narrative**, **Appendix 2A** - Introduction to the Feasibility Study, **Appendix 2B** - Feasibility Study, **Appendix 3** - Business Plan for Community Centers and Special Needs Projects; and **Appendix 4** - Space Utilization Table).

### **DFD Financing Application (Form 202)**

- A. Application with Cover Page and Authorized Signatures
- B. General Information (\*Narrative and Form 202)
- C. Development Team Information
- D. Community Revitalization Information
- E. Project Income (rental projects and community facilities)
- F. Project Expenses
- G. Uses of Funds
- H. Sources of Funds
- I. Project Summary Information
- J. 20-Year Operating Proforma
- K. Signature Forms
- L. Monitoring Certification\*\*
- M. Feasibility study\*\*\*
- N. Business Plan\*\*\*
- O. Space Utility Plan\*\*\*

- P. Form 212 and 215 \*\*\*\*
- Q. Low Income Housing Tax Credit (if Applicant is applying for LIHTC).\*\*\*\*\*

Management Agent's Qualifications – Rental (Form 209) and Summary Cost Estimate (\*\*\*Form 212)

Exhibits (with attached forms) and Certifications documents, including Contract Affidavit, Qualifications statements, and Monitoring Certification Forms and Lead Safe Housing/Fair Housing.

- \*Note 1: A Narrative is required with all proposal submissions. A narrative format is included as Appendix 1 of the Application Submission Package.
- \*\*Note 2: An individual authorized to obligate your organization must sign the Application Cover Page. By signing the application, the authorized person is also attesting to the truthfulness of the information supplied in the application. The "Monitoring Certification Form" must also be signed. Unsigned applications will not be accepted.
- \*\*\* Note 3: Proposal seeking funding for community centers and special needs housing must complete the Feasibility Study, Business Plan and Space Utilization Plan . Examples of these documents are contained in the Application Submission package.
- \*\*\*\*Note 4: The Summary Cost Estimate (Form 212) is Required As Part of the RFP Preliminary Application For Funding; and the Detailed Cost Estimate (Form 215), included with the Application, must be completed by the final application deadline for projects selected for underwriting. It is not required as part of this RFP Preliminary Application for funding.
- \*\*\*\*\*Note 5. Proposals or Projects requiring Low Income Housing Tax Credits (LIHTC) will be subject to revisions to the Qualified Allocation Plan, which will be published not later than August 15, 2004.

# **APPENDIX A - BASIC ELIGIBILITY REQUIREMENTS**

M	ust Meet All Requirements at Time of Application	
	Site Control	
	Applicant has site control in the form of a current deed, fee simple ownership, lease option (lease term must be equal or greater than the proposed financing term), or a contract of sale.	□ Yes □ No
	Basic Regulatory Eligibility	
	Applicant must meet the appropriate regulatory requirements for eligibility (e.g., National Objective (Public Benefit) and Eligible Activities for CDBG, HOME and HPTF)  Must Meet All Requirements at Time of Application (cont'd)	□ Yes □ No
	Good Standing	
	Applicant <sup>10</sup> - and project – are not delinquent on city obligations <sup>11</sup> , including but not limited to, income taxes, real estate taxes and water and sewer charges.	□ Yes □ No
	In the past five years, the applicant has not been a party to chronic housing code violations, excessive tenant complaints, or substantial judgments.	
	Applicant is not barred by US Department of Housing and Urban Development (HUD) or DHCD.	
	Members of the development team, e.g. applicant, developer, owner, etc. must not be suspended, voluntarily or involuntarily excluded from participation in any federal or District Programs. At time of application, the applicant/developer must have a certificate of good standing from the Department of Consumer and Regulatory Affairs (DCRA), and have no outstanding Federal or District obligations and/or liability or any other type of indebtedness, due to the District of Columbia including prior DHCD (or formerly lease payments or defaulted grant(s)) from the Office of Business and Economic Development loan obligations. There shall be no exceptions; violators shall be removed from consideration under the current RFP at any time this is discovered.	
	If it is determined, during any stage of the review, underwriting or funding process, that the applicant or any business affiliate has any outstanding indebtedness to DHCD or the District, the applicant shall be removed from further consideration in this funding round.	
	Creditworthiness / District Debts	
	Applicant <sup>12</sup> has a satisfactory credit report: No member of the development team acting in the role of sponsor, developer, guarantor, or owner has had chronic past due accounts, substantial liens or judgments, foreclosures or bankruptcies within the past five years; nor has defaulted on any obligation to the District of Columbia within the past ten years.	□ Yes □ No
	Readiness to Proceed	
	Applicant must show readiness to begin construction within 3 months of date of DHCD funding award.	□ Yes □ No
	Completeness of Application	
	Application must be complete to receive consideration; or it will be rejected.	□ Yes □ No

<sup>&</sup>lt;sup>11</sup> Any member of the development team acting in the role of sponsor, developer, guarantor, owner, or consultant

<sup>&</sup>lt;sup>12</sup> Any member of the development team acting in the role of sponsor, developer, guarantor, owner or consultant.

<sup>&</sup>lt;sup>13</sup> For the Applicant, this means any City obligation, whether related to the proposed project or not.

# APPENDIX B - EVALUATION CRITERIA FOR SCORING: THRESHOLD AND RANKING

Applications that do not meet the minimum threshold criteria of 5 points for each category will score 0 points for that category.

	shold Criteria – 25 points minimum, 45 points maximum; must score at least 5 of 15 points major category	s in
Ap	ppropriate Site and Design	15
en	propriate Site: proposal must adequately address topography, soil, and grade issues, vironmental hazards, zoning requirements, and other special site conditions.	
Sco	oring Method:	
	7 = The applicant has completed a Phase 1 site analysis. The applicant has formulated a satisfactory plan to deal with any issues raised through those studies. The applicant has addressed zoning and historic preservation issues and has received approval from the Board of Zoning Adjustment for necessary changes.	
	5 = Applicant has completed a historical review of property uses and provided a minimal assessment of site and environmental issues (the Environmental Assessment Exhibit of the application). Applicant has identified any issues and budgeted for associated costs. The applicant have identified zoning and historic preservation issues and is scheduled to appear before the Board of Zoning Adjustment.	
Sco	oring Method:	
	8 = Applicant has completed schematic designs. The proposal includes site plans, elevations, and floor layouts. For rehab projects, the proposal does not need site plans or elevations but does need existing layouts and proposed layouts. The design is consistent with neighborhood design characteristics. Amenities and units are appropriate for the tenant population. The project offers sufficient parking. The project has a defined and realistic cost summary schedule. (Form 212)	
	5 = Applicant describes project amenities and unit sizes both which are appropriate for the proposed development program and tenant/homeowner population. The project is consistent with neighborhood design characteristics. Parking is adequate. There is a cost summary and schedule. (Form 212°)	10
COI	10 Bonus points for use of energy efficiency and Green Design elements in design and instruction.	
	Applicant describes proposed project design and construction must make use of the	
	following energy efficient and green design elements:	
	1. Use of Energy Star rated appliances and lighting fixtures;	
	2 Use of Energy Star rated heating and cooling equipment;	
		i

<sup>°</sup> NOTE: The threshold and ranking criteria are applicable for all projects requesting financing. Where appropriate, additional criteria are noted for community/commercial projects.

# Threshold Criteria – 25 points minimum, 45 points maximum; must score at least 5 of 15 points in each major category

- 3. Exceed the requirements of the DC Energy Code for exterior envelop insulation, doors and windows;
- 4. Use of low-toxic, solvent free, low-VOC paints, primers, adhesives and sealants;
- 5. Use of drywall and other building materials with recycled material content; and
- 6. Where project design permits (flat roof buildings), installation of a rated green roof.

### Scoring Method:

- ن 10 = Applicant documents at time of application use of 4 or more of the listed efficient/green design strategies listed above.
- 05 = Applicant documents at time of application use of at least three of the listed efficient/green design strategies listed above.

#### **Strong Development Team**

Development teams demonstrating a stronger record of capacity will receive more points. Note: If the developer has received funding from DHCD, s/he must show successful repayment and compliance history.

### Scoring Method:

- □ 15 = The developer must demonstrate a successful track record in projects of similar size, scale and complexity. The development team includes the appropriate members: architect, development consultant, construction management and/or general contractor, accounting, financial, legal, syndication and property and/or asset management team. Members of the development team must be able to demonstrate and verify a successful performance history in projects of similar type and scale. The development team must also demonstrate the financial capacity to fulfill their respective responsibilities. No members of the development team may have defaulted on any obligation to the District of Columbia within the past 10 years. If the proposed project includes supportive services, a qualified service provider must be a member of the development team.
- 10 = The developer must demonstrate a successful track record in projects of similar size, scale and complexity. Most of the members of the development team are experienced and demonstrate successful performance history and financial capacity in projects of similar size, scale and complexity. No members of the development team may have defaulted on any obligation to the District of Columbia within the past 10 years. If the proposed project includes supportive services, a qualified service provider must be a member of the development team.
- □ 5 = The members of the development team must demonstrate successful track records in projects of similar size and/or scope. No members of the development team may have defaulted on any obligation to the District of Columbia within the past 10 years. If the proposed project includes supportive services, a qualified service provider must be a member of the development team.

15

# Threshold Criteria – 25 points minimum, 45 points maximum; must score at least 5 of 15 points in each major category

### **Financial Feasibility**

Scoring Method:

- □ 15 = There is a complete set of financial documents to support the financing request, the application contains a realistic set of sources and uses, pro forma and operating budget. (DHCD subsidy should be included in the sources and uses). Letters of commitment from other participating financial sources are included. The uses are appropriate for the project and the requested financing source.
- □ 10 = There is a complete set of financial documents to support the financing request, the application contains a realistic set of sources and uses, pro forma and operating budget. (DHCD subsidy should be included in the sources and uses). Letters of intent/interest from other participating financial sources are included. The uses are appropriate for the project and the requested financing source.
- □ 5 = There is a complete set of financial documents to support the financing request; the application contains a realistic set of sources and uses, proforma and operating budget. (DHCD subsidy should be included in the sources and uses). The uses are appropriate for the project and requested funding source.

Ranking Criteria – 105 points maximum

15

# **Economic Opportunity**

It is the policy of the District of Columbia government and the Department of Housing and Community Development to provide maximum economic opportunities for District of Columbia businesses and residents whenever the District of Columbia invests public dollars. To foster this policy the Department of Housing and Community Development (DHCD) is utilizing the following scoring point's allocation opportunity for those applicants whom provide the maximum economic opportunity for District residents and businesses.

Economic Opportunity – 25 points (maximum)	
Use of District of Columbia certified Local Small Disadvantaged Bust (LSDBE).	ness Enterprises
The District of Columbia encourages the maximum utilization of District of Col Small Disadvantaged Business Enterprises (LSDBE) in the development and co where DHCD is investing resources. Sponsors and developers are encouraged t certified LSDBEs in all phases of the development process. Sponsors and devel Mr. Andre Banks, of the Office of Local Business Development, at (202) 727-39 on District of Columbia certified LSDBEs.	nstruction of projects o utilize District opers may contact

LSDBE participation in projects	
District of Columbia certified LSDBE in 50 or more percent of all development con	struction and 10
professional opportunities.	
District of Columbia certified LSDBEs participation in 20 - 49 percent	5
Of all available development, construction, and professional opportunities	
District of Columbia certified LSDBEs participation in 1 – 19 percent of	2
all available development, professional and construction opportunities.	

Use of District of Columbia based business	
Consistent with the District of Columbia's policy of providing maximum economic opportunity to District residents and businesses, DHCD will award points during the review process for the maximum utilization of District based businesses in all professional, business, construction, development and based opportunities.	
Use of District of Columbia based certified LSDBE on all available development, construction, and professional opportunities.	8
Use of District of Columbia based business in all available development, construction and professional opportunities.	3

Hiring of District Residents	
The District of Columbia encourages the hiring of District residents in all projects that the District of Columbia invests. The applicable federal and local regulations will apply to all DHCD investments.	
Sponsors and developers have a local hiring plan that has been approved by DHCD and have executed a first source agreement with the Department of Employment Services.	7
Sponsors and developers have submitted a local hiring plan to DHCD and DOES.	3
Sponsors and developers have included a local hiring plan with their application.	1

Applicants must include all appropriate documentation demonstrating their justification for points under this section.

Ranking Criteria – 105 points maximum (Continued)	
Efficient Use of Public Resources	8
DHCD's per-unit subsidy is minimized.	
Scoring Method: Scoring is based only on DHCD-assisted units in the project, and projects will be assessed relative to each other. Subsidy per unit is determined by dividing the DHCD investment by the DHCD assisted units.	
$\Box$ 6 = \$10,001 - \$25,000 per unit	
3 = \$25,001 - \$40,000  per unit	
$\Box$ 1 = \$40,001-\$50,000 per unit	
0 = Over  \$50,000  per unit	
NOTE: This is not applicable to community and commercial facilities.	
Leveraging	8
Private and or public non-DHCD funds as a percentage of total sources are maximized. DHCD is required to leverage its investment in projects.	
<ul> <li>Scoring Method: Scoring is based on DHCD- investment in a project. The leveraging formula will deduct the total DHCD investment from the total development cost and divide the total DHCD investment by the remaining total development cost.</li> </ul>	
$\square$ 8 = Leverage ratio of 5 or greater	
$\Box$ 5 = Leverage ratio of 3-4.99	
$\Box$ 2 = Leverage ratio of 2-2.99	
□ 1 = Leverage ratio of 1-1.99	
Coordination with DCHFA and/or DCHA or other District Agencies	4
DHCD will award 4 points under this criterion for projects that combine resources (subsidy funding, financial investment, land, real property, etc.) from DHCD and the D.C. Housing Finance Agency and/or the D.C. Housing Authority or other District agencies.	

**Income Targeting** 

9

Projects offering more units for lower-income households will receive more points. Project income limits must first meet the minimum funding source requirements. Scoring is based on total units subsidized/units in the project - by multiplying the unit value by the percentage of units scoring that unit value:

#### Unit Value

- $\Box$  9 = Units @ 30% of AMI
- $\Box$  7 = Units  $\bigcirc$  50% of AMI
- $\Box$  6 = Units @ 60% of AMI
- $\Box$  4 = Units  $\bigcirc$  80% of AMI
- $\Box$  3 = Units @ 81 100% of AMI (for mixed-income projects)
- $\square$  2 = Units @ > 100% of AMI (for mixed-income projects)

### Sample scoring:

- A building that is 100% affordable to families at 30% of AMI receives 9 points (100% x 9).
- A building that is 50% affordable to families at 30% of AMI and 50% affordable to families at 80% of AMI receives 6.5 points (50% x 9 + 50% x 4).
  - A building that is 40% affordable to families at 60% of AMI and 60% affordable to families at 110% of AMI receives 3.6 points  $(40\% \times 6 + 60\% \times 2)$ .

NOTE: Fractional points will be awarded.

**Income targeting** – Define the target population that the proposed project will serve.

Scoring is based on projects that provide services to residents in various income ranges.

- a) 30 50 percent of area median 9 points
  - 51 80 percent of area median 5 points
  - 81 100 percent of area median 3 points
- b) Fractional point will be awarded for projects that serve multiple income groups. The points will be determined by the percentage of the target populations served x the points allowed i.e.

```
30\% served of 30\% AMI = .3 \times 9 = 3 points
```

70% served x 100% AMI =  $.7 \times 3 = 2.1 \text{ points/Total points} = 5.1 \text{ points}$ 

<sup>\*</sup>For community and/or commercial facilities the following applies:

Retention	9
$\bigcirc$ 9 = Affordability for 31-40 years	
$\Box$ 7 = Affordability for 21-30 years	
$\Box$ 5 = Affordability for 11-20 years	
$\Box$ 3 = Affordability for 5-10 years	
Applicant should be aware that HOME and HPTF carry statutory minimum retention periods.	
For community and/or commercial facilities, the length of time that the proposed use is committed will be substituted here.	
Geographic Targeting	9
Projects in designated investment areas that fulfill a recognized planning goal and are consistent with defined or published plans will receive the points under this criterion.	
Scoring Method:	
<ul> <li>9 = A project within one of the strategic neighborhood investment areas or NRSAs, is consistent with defined and/or published documentation, meets a defined community priority, and has documented community support.</li> <li>3 = A project within an Enterprise Community or Zone is consistent with defined and/or</li> </ul>	
published documentation, meets a defined community priority and has documented community support.	
Community Impact	25
<ul> <li>Neighborhood Safety = A project within the 14 Hot Spot areas. = 5 points</li> <li>Neighborhood Stabilization: (e.g., redevelopment of abandoned buildings)</li> <li>(e.g., redevelopment of blight near schools). = 5</li> <li>No Cost High-speed internet access in the living area of every unit. = 5</li> <li>Over 50% of projects are +3 bedrooms. = 5</li> </ul>	
□ Serving elderly and/or special needs. = 5	
Preservation of Housing w/expiring Section 8	8
□ 8 = Projects that preserve housing with expiring Section 8.	
*This is not applicable to community and commercial projects.	